GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3814
ANSWERED ON:24.03.2017
Unrestricted Bank Accounts
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued directions with regard to the use of the UID number as the sole Know Your Customer (KYC) for opening unrestricted bank accounts and for e-KYC;

(b) if so, the details thereof;

(c) whether the Government has included the UID number as a basis for KYC by diluting the Prevention of Money Laundering Act; and

(d) if so, the details thereof and reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): The Reserve Bank of India (RBI) in its updated Master Direction dated 08.12.2016 on "Know Your Customer (KYC) Direction, 2016" has directed that the e-KYC service of Unique Identification Authority of India (UIDAI) shall be accepted as a valid process for KYC verification under the Prevention of Money Laundering (Maintenance of Records) Rule 2(1)(d) (PML Rules), as

(i) the information containing demographic details and photographs made available from UIDAI as a result of e-KYC process is treated as an 'Officially Valid Document', and
(ii) transfer of KYC data, electronically to the Regulated Entities (RE) from UIDAI, is accepted as valid process for KYC verification.

RBI has also informed that the letter issued by the UIDAI or the National Population Register (NPR) containing details of name, address and Aadhaar number is one of the Officially Valid Document (OVD) that can be used as a Proof of Identity (PoI) and Proof of Address (PoA). The e-KYC service based on Aadhaar (UID Number), is offered by UIDAI and is accepted as a valid process for Know Your Customer (KYC) verification under PML Rules.
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